



## DEPARTMENT OF HOMELAND SECURITY

### U.S. Customs and Border Protection

[CBP Dec. 22-03]

#### Termination of the In-Bond Export Consolidator Program and Associated Bond

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security.

**ACTION:** General notice.

**SUMMARY:** This document announces the termination of the In-Bond Export Consolidator program (IBEC program) and the associated bond, known as the In-Bond Export Consolidation bond (IBEC bond), implemented at Customs District 52 (Miami). Consequently, IBEC program participants who intend to continue their operations must transition their facility status to either a customs bonded warehouse, container freight station, foreign trade zone, or a facility operated as a non-vessel operating common carrier, depending on their business needs, and also obtain the appropriate bond(s). U.S. Customs and Border Protection (CBP) is providing a transition period of one year from the date of this notice for IBEC program participants (including both IBEC program facilities and the operators who manage the facilities) to transition the status of their facilities, as set forth in this notice.

**DATES:** IBEC program participants (including both IBEC program facilities and the operators who manage the facilities) who intend to continue in-bond export consolidation operations have until **February 11, 2023** to transition to one of the alternate facility types listed in this notice and obtain the appropriate bond(s). As of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], CBP will no longer accept applications for new IBEC bonds (designated as Activity Code 14 on the CBP Form 301). IBEC bonds executed prior to [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], may continue to be used to secure activities until **February 11, 2023**.

**FOR FURTHER INFORMATION CONTACT:** Christopher Dow, Assistant Port Director,  
Miami Seaport, Office of Field Operations, U.S. Customs and Border Protection,  
IBEC@cbp.dhs.gov (e-mail preferred) or 305-869-2653.

## **SUPPLEMENTARY INFORMATION:**

### **Background**

In the 1980s, non-vessel operating common carriers, non-aircraft operating common carriers, exporters, and other freight consolidators (known as “export consolidators”) in Customs District 52 (Miami) established a service that involved the receipt into their facilities of individual exportation shipments for consolidation prior to exportation. Due to conflicts between industry practices and the customs regulations, the U.S. Customs Service (the predecessor agency of U.S. Customs and Border Protection (CBP)) established the In-Bond Export Consolidator program (IBEC program) in 1986<sup>1</sup> as a pilot program to accommodate the growing export consolidation industry.<sup>2</sup> All entities that intended to continue the consolidation for export of merchandise traveling under a customs bond were required to participate and accept the conditions of the IBEC program. In 1998, the U.S. Customs Service created a special bond, known as the In-Bond Export Consolidation bond (IBEC bond), in an effort to maintain procedural and regulatory control over the bonded freight for export.<sup>3</sup> The IBEC bond covered the consolidation, cartage, transportation, and exportation of in-bond merchandise in the custody of the U.S. Customs Service (now CBP).<sup>4</sup> The IBEC bond was required by specific instruction pursuant to section 113.1 of title 19, Code of Federal Regulations (CFR) (19 CFR 113.1). Today, the IBEC bond is also known as the Activity Code 14 bond, as designated on the CBP

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<sup>1</sup> Information Bulletin 86-66 (Miami Customs District, Sept. 12, 1986).

<sup>2</sup> The IBEC program was briefly cancelled beginning May 25, 1991, and then restarted again as early as September 19, 1991, as explained in Information Bulletin No. 91-75 (Miami Customs District, Sept. 19, 1991).

<sup>3</sup> Information Bulletin No. 99-013 (Miami Customs District, Dec. 3, 1998). Information Bulletin No. 99-013, which announced the creation of the IBEC bond, superseded previous statements of the IBEC program’s requirements/status dating back as far as 1988.

<sup>4</sup> The IBEC bond terms can be found in the “Sample Application for In-Bond Export Consolidation (IBEC) Bond,” which can be accessed at <https://www.cbp.gov/sites/default/files/documents/Sample%20Type%2014-%20IBEC%20Bond-final.pdf> (last accessed Jan. 26, 2022).

Form 301 (Customs Bond). Currently, there are 194 active IBEC bond holders, and they operate within the Miami Seaport and Port Everglades ports of entry.

CBP continues to have concerns with maintaining procedural and regulatory control over merchandise destined for export to ensure the protection of the revenue of the United States and compliance with the laws and regulations enforced by CBP. Specifically, the IBEC program has made it more challenging for CBP to ensure that the custody and manipulation of merchandise complies with regulations such as 19 CFR 19.11(e) and 125.41(a). For these reasons, CBP is terminating the IBEC program and IBEC bond. The IBEC program is being terminated pursuant to the broad discretion afforded to the agency under the applicable regulations, including 19 CFR Parts 4, 18, 19, 112, 113, 125, 144, and 146. The IBEC bond is being terminated pursuant to 19 U.S.C. 1623 and 19 CFR Part 113.

In order to continue their operations, existing IBEC program participants, which include both IBEC program facilities as well as the operators who manage the facilities, must transition their export consolidation activities to a customs bonded warehouse (*see* 19 CFR Parts 19 and 144), a container freight station (*see* 19 CFR 19.40-19.49), a foreign trade zone (*see* 19 CFR Part 146), or a facility operated as a non-vessel operating common carrier (NVOCC) (*see* 19 CFR 4.7(b)(3))<sup>5</sup>. In addition, IBEC program participants must procure the appropriate bond(s) to operate as one of these alternate facility types (*see* 19 CFR Part 113). These transition decisions will need to be made by the IBEC program participants based on their business models and business needs.

CBP has begun working with all IBEC program participants to guide them as they transition into one of the alternate facility types and continues to conduct outreach to IBEC program participants to ensure the trade community's continuity of operations. IBEC program

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<sup>5</sup> NVOCCs are regulated by the Federal Maritime Commission (FMC). Those IBEC program participants interested in operating as NVOCCs should consult with the FMC to ensure all applicable requirements are met. *See* Ocean Transportation Intermediaries, <https://www.fmc.gov/resources-services/ocean-transportation-intermediaries/> (last accessed Jan. 26, 2022).

participants with questions about the transition may contact the point of contact listed above in this notice, preferably by e-mail.

CBP recognizes that current IBEC program participants may need a transition period to transition the status of their facilities, as set forth in this notice. Therefore, current IBEC program participants (including both IBEC program facilities and the operators who manage the facilities) who intend to continue in-bond export consolidation operations have until **February 11, 2023** to transition to one of the alternate facility types listed in this notice and obtain the appropriate bond(s). As of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], CBP will no longer accept applications for new IBEC bonds (designated as Activity Code 14 on the CBP Form 301). IBEC bonds executed prior to [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], may continue to be used to secure activities until **February 11, 2023**. CBP will continue to work closely with IBEC program participants to ensure the trade community's understanding and compliance with this notice.

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Pete Flores,  
Executive Assistant Commissioner,  
Office of Field Operations.

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